

San Antonio Family Members Plead Guilty in Federal Fraud Case - GSA Office of Inspector General

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U.S. Attorney's Office
Western District of Texas
August 7, 2023

SAN ANTONIO – Three members of a San Antonio family pleaded guilty in federal court today to charges related to government contracts fraud for services at U.S. Army medical facilities.

According to the indictment, Kenneth Flores, 50, Christopher Flores, 54, and Irma Flores, 74, conspired together to defraud the United States by eliminating competition and fixing contract awards and prices on Army contracts for the housekeeping and janitorial services at Army Hospitals and Medical Centers. The scheme involved a corrupt partnership between the Floreses and co-conspirator government employees Karisa Waysepappy Kelley and John Jordan “Chip” Mathes, concerning millions of dollars in work on Army healthcare housekeeping and janitorial services contracts in return for bribes and kickbacks, eliminating the Flores’ competition in the process.

From Nov. 15, 2018, until June 25, 2020, Christopher Flores’s company, Alliance Supply, paid \$216,710.46 to Mathes’ company, C & S Consulting. From Feb. 21, 2019, until July 17, 2020, Alliance Supply paid Kelley’s company Waysepappy Consulting \$57,906.50. Irma Flores served as the bookkeeper for Allegiance Environmental Services, a company owned by Kenneth Flores, under which Alliance operated. Mathes and Kelley pleaded guilty in February.

Kenneth Flores pleaded guilty to one count in the indictment to conspiracy to defraud the United States and faces a maximum penalty of five years in prison. Christopher and Irma Flores each pleaded guilty to an information charging them with one count of gratuity paid to public official, and each face a maximum penalty of two years in prison. All three are scheduled to be sentenced on Nov. 27. A federal district court judge will determine any sentence after considering the U.S. Sentencing Guidelines and other statutory factors.

The Floreses have agreed to pay restitution in the amount of \$3.7 million.

The government dismissed the charges against Antonio Flores, Jr.

U.S. Attorney Jaime Esparza of the Western District of Texas made the announcement.

The Defense Criminal Investigative Service; Department of the Army Criminal Investigation Division; U.S. General Services Administration Office of Inspector General; and IRS Criminal Investigation are investigating the case.

Assistant U.S. Attorneys Kelly Stephenson and Joe Blackwell, and Special Assistant United States Attorney Jay Porier are prosecuting the case.

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Source: U.S. Attorney's Office [press release](#)
